

## Minutes May 20, 2005

Maine Milk Commission Special Meeting Minutes  
Deering Building, Room 233  
Hospital Street, Augusta, Maine 04333

Notices for the May 20, 2005 meeting were distributed to Commission members, intervenors and other interested parties April 22, 2005 and sent to the Secretary of State's Office for posting on April 22, 2005.

**Commission Members Present:** Chair Michael Wiers, Colon Durrell and John Joseph

**Commissioner Members Absent:** Katherine O. Musgrave and Shelley Doak

**Department Officials:** None

**Staff Present:** Stanley K. Millay, Executive Director and Judy Perry of Division of Animal Health & Industry.

**Legal Counsel:** Lucinda White, Assistant Attorney General

**Intervenors Present:** John Blake, H.P. Hood, Inc., John Economy, Garelick Farms of Maine, Thomas Brigham, Oakhurst Dairy

**Others Present:** Dale Cole and Julie-Marie Bickford from the Maine Dairy Industry Association (MDIA) and Steve Pyne from Dairy Marketing Services.

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Michael Wiers, Chairman called the meeting to order at 1:44 P.M.

**Agenda Item 1: Minutes:** Colon Durrell made a motion to accept the minutes of the April 22, 2005 meeting as written. John Joseph seconded. Motion passed 2-0.

**Agenda Item 2: Lucinda White, Assistant Attorney General:** Reported that Shaw's would be at the June meeting to discuss minimum price issues.

**Agenda Item 3: Minimum Prices:** The prevailing premium is \$1.10 for June 2005 reported by Dairy Marketing Services. Agri-Mark reported \$0.90 for June 2005, but reported that that price was not holding and would likely return to \$1.10. Colon Durrell made a motion to recognize the price schedule with the producer cost of production at \$0.74 for June 2005 on Class I and \$0.15 on Class II and \$1.10/cwt. over-order premium. John Joseph seconded.

Concern about increasing fuel prices was raised by Julie-Marie Bickford from MDIA. Dale Cole from MDIA stated that increased fuel costs amounted to about \$0.05 CWT and these costs are passed on to producers in transportation cost surcharges.

John Blake representing H.P. Hood stated processors have also experienced increased costs due to the rising price of fuel. He went on to say that adding more to the producer cost of production would negatively impact processing in Maine.

Tom Brigham representing Oakhurst Dairy stated that the current \$0.74 CWT proposed is the amount adopted at an earlier meeting and was derived in part from the current cost of production study. He stated that the new producer cost study underway would account for increased fuel costs to producers.

John Joseph offered an amendment to the motion on the floor that would increase the producer margin from \$0.74 to \$0.79.

Amendment moved by John Joseph, seconded by Colon Durrell. Motion passed 2-0.

Vote on minimum price schedule as amended. Passed 2-0.

Minimum milk prices adopted include the Class I price for June 2005 at \$16.87 plus \$0.79/cwt cost of production, plus \$1.10/cwt prevailing over-order premium and a processor assessment of \$0.20/cwt for a total dealer cost of \$18.96 for June 2005. The Class I price decreased \$1.18 from May 2005.

The Farm Bill Counter Cyclical Payment (MILC) for June 2005 is \$0.0315/cwt.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for May 2005 which included prices for Augusta and Bangor. They also reviewed the International Association of Milk Control Agencies prices surveys for March 2005.

**Agenda Item 5: Next Scheduled Meetings:**

- June 17, 2005, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- July 22, 2005, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- *\*Note change of date from Friday August 19 to*  
Monday, August 22 at 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine
- September 23, 2005, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources  
Augusta, Maine

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission Reviewed the income and expenditures.
2. **Producer Margins:** Stanley Millay updated the Commission on the Cost of Production study being conducted by the University of Maine.

**Agenda Item 7: Executive Session:** The Commission did not go into Executive Session

Colon Durrell nominated Michael Wiers to serve as Commission Chairperson for the ensuing year. John Joseph seconded. Motion passed 2-0.

**Meeting Adjourned: 2:16 p.m.**

Respectfully submitted Stanley Millay, Executive Director, Maine Milk Commission